

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 1916 – SB 1493**

April 9, 2012

**SUMMARY OF AMENDMENT (016292):** Authorizes the Alcoholic Beverage Commission (ABC) to assess costs for administrative hearings. Amendment 016292 deletes language in the original bill that removed the \$6,000 annual compensation received by each ABC commissioner.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Revenue – \$12,600/ABC Fund  
Decrease State Expenditures – \$19,900/ABC Fund

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Revenue – \$12,600/ABC Fund**  
**Decrease State Expenditures – Net Impact - \$1,900/ABC Fund**

Assumptions applied to amendment:

- According to ABC, the costs for 25 hearings was paid by the Commission in 2010 resulting in expenditures of approximately \$9,375 (25 hearings x \$375 per hearing).
- Since ABC will be able to assess hearing costs, the Commission will schedule more hearings. ABC estimates that there will be 200 hearings scheduled for FY11-12. Approximately 10 percent, or 20 hearings will either be dismissed or costs assessed against ABC resulting in costs of \$7,500 (20 hearings x \$375).
- The net decrease in expenditures to the ABC Fund will be \$1,875 (\$9,375 - \$7,500).
- According to ABC, the minimum citation amount for an administrative hearing is \$100. Approximately 70 percent of citations issued will be paid resulting in a recurring increase in state revenue to the ABC Fund of \$12,600 [(180 hearings x 70%) x \$100].
- ABC Commissioners currently receive a total of \$18,000 in compensation (\$6,000 x 3 commissioners). Amendment 016292 will maintain this level of compensation.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb